VZCZCXRO7463 OO RUEHBI RUEHCI RUEHDBU RUEHLH RUEHPW DE RUEHNE #0815 1131458 ZNY CCCCC ZZH O 231458Z APR 09 FM AMEMBASSY NEW DELHI TO RUEHC/SECSTATE WASHDC IMMEDIATE 6326 INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE RUEHBJ/AMEMBASSY BEIJING 7603 RUEHLO/AMEMBASSY LONDON 6278 RUEHMO/AMEMBASSY MOSCOW 3351 RUEHKO/AMEMBASSY TOKYO 6305 RUCNDT/USMISSION USUN NEW YORK 7924 RHEHAAA/WHITE HOUSE WASHDC RUEAIIA/CIA WASHDC RHEHNSC/NSC WASHDC RUEIDN/DNI WASHINGTON DC RHMFISS/HQ USCENTCOM MACDILL AFB FL RHHMUNA/HQ USPACOM HONOLULU HI RUEKJCS/JOINT STAFF WASHDC

## C O N F I D E N T I A L NEW DELHI 000815

## SIPDIS

E.O. 12958: DECL: 04/23/2018

TAGS: PREL PGOV MOPS NP IN

SUBJECT: INDIAN FOREIGN SECRETARY SEES TACTICAL RETREAT BY
NEPALESE MAOISTS; KEEN ON DEEPER U.S.-INDIA TALKS ON NEPAL

Classified By: CDA Peter Burleigh for Reasons 1.4 (B, D)

- (C) Charge met April 23 with Indian Foreign Secretary Shiv Shankar Menon for talks which included the current standoff in Nepal between Prime Minister Dahal and Army chief Gen. Katawal. Menon said he believed the situation had been quite close to a disaster for Nepal as it would have taken away the last line of defense against the Maoists creating a "monopoly of violence," but had now been defused temporarily. However, PM Dahal's decision not to press ahead with removing Gen. Katawal was only a tactical retreat, Menon felt, adding that he assumed the Maoists would still attempt to create conditions, by changing the rules of the game, which would eventually allow them to remove Gen. Katawal and take control over the military. Menon agreed with the Charge that PM Dahal was likely surprised by the unity of opposition to Gen. Katawal's dismissal, even among some Maoist members. Saying the opposition probably didn't realize how close it had been to losing control of the military, Menon described the precarious nature of the political situation in Kathmandu and opined that merely saving the status quo was not an option.
- 12. (C) Turning to the broader issues of Nepal, Menon briefly described his view that the Maoists' main goal at this time was not the creation of a good constitution -- Menon noted how Stalin had written one of the best constitutions ever on paper -- but rather consolidating the party's position into a monopoly on power. "With the army out of the way, they would have no restraints on their power. Then they can write the best constitution in the world," Menon opined. He concurred with the Charge's assessment that the direction Nepal is currently headed is worrisome, and that India and the U.S. should hold discussions on Nepal with a long-term, strategic perspective. "We need to look at the bigger picture," Menon stated. He noted that he would suggest to Ambassador Sood to be in contact with Ambassador Powell on ways to hold serious, broad discussions. Menon also said he looked forward to personally holding an in-depth discussion with Ambassador Powell the next time she visited India. BURLETCH